

BUILDING LEASE

This lease (“the Lease”) is entered into on July 1, 2024 between the City of Ann Arbor, a Michigan municipal corporation, with offices at 301 E. Huron St., Ann Arbor, MI 48104 (“Lessor”) and the County of Washtenaw, a municipal corporation, with offices at 220 N. Main St., Ann Arbor, MI 48104 (“Lessee”), on the terms and conditions set forth below.

- 1. **Premises.** Lessor leases to Lessee and Lessee leases from Lessor a portion of the real property commonly described as Space 9 (38’ x 48’ - 1,824 sf) and Space 10 (47’ x 33’ – 1551 sf) at the property at 2000 S. Industrial, Ann Arbor, MI (“Building/Building Grounds”) and more specifically identified in the attached map, which is incorporated and made a part of this Lease (“Premises”). It is acknowledged that Lessee’s right to access and use of Building Grounds is limited to the same right as the general public. Lease of the Premises includes one designated covered parking space on the Building Grounds. Lessee has inspected the Premises, is satisfied with their condition, and accepts the terms of occupancy stated above.
- 2. **Term.** This Lease shall be for a term of three (3) years commencing on July 1, 2024 and terminating on June 30, 2027, unless sooner terminated or extended as provided in this Lease. This Lease shall automatically renew for two (2) periods of three (3) years unless: i) either party provides the other a written notice of termination ninety (90) days prior to expiration of the Lease or renewal period; or ii) either party terminates the Lease early under Section 15.
- 3. **Rent.** For use of the Premises, each year of the Lease term Lessee shall pay to Lessor annual rent as follows (Year 1 rent of \$17,500 with a 3% annual increase):

<u>Year & Beginning Date</u>	<u>Annual Rent</u>
Year 1 Beginning 7-1-2024	\$17,500.00
Year 2 Beginning 7-1-2025	\$18,025.00
Year 3 Beginning 7-1-2026	\$18,565.75

In each renewal period, Lessee shall pay to Lessor annual rent as follows:

<u>Year & Beginning Date</u>	<u>Annual Rent</u>
Year 1 Beginning 7-1-2027	\$19,122.72
Year 2 Beginning 7-1-2028	\$19,696.40
Year 3 Beginning 7-1-2029	\$20,287.29

Upon Second Renewal Period: Year & Beginning Date	Annual Rent
Year 1 Beginning 7-1-2030	\$20,895.91
Year 2 Beginning 7-1-2031	\$21,522.79
Year 3 Beginning 7-1-2032	\$22,168.47

The annual rent payment shall be due on July 1st of the respective year. Rent paid shall be considered payment in advance for the respective year. In the event the Lease is terminated, Rent shall be prorated on a 12-month basis as of the end of the month of the termination effective date. Unless Lessor gives notice to the contrary, all payments to Lessor under the terms of the Lease shall be made to Lessor at the address for Lessor at the address for Lessor stated in paragraph 14 below. No security deposit is required.

4. Use; Access.

- a. The Premises may be used for equipment storage for the Washtenaw County Sheriff's Office. No uses shall be permitted which will violate any law, municipal ordinance, or regulation. Lessee shall not deface or inure the Premises or the Building, permit anything to be done on the Premises tending to create a nuisance or permit any activity in the Premises which will result in an increase of any premium, or cancellation of a policy, for insurance on the Premises or the Building.
- b. Lessee shall have the right to install and maintain secured interior perimeter fencing of the Premises from the Building. Prior to installation of any lock or activation of any security system in connection with the interior perimeter fencing, Lessee shall provide Lessor with a key or access card/code to allow Lessor access to the Premises in accordance with the terms of this Lease. At any time during the Lease should the Lessee alter or replace the security system used (whether lock and key or other method), Lessee shall be required to provide Lessor with ten (10) business days' notice of Lessee intent to do so, and when the installation is complete, with access in the same manner and subject to the terms as stated above.
- c. Lessee shall be provided three (3) access cards to the Premises and Grounds. Lessee shall be responsible for distribution of the access cards to the appropriate employees of Lessee. Lessee shall immediately report the loss or theft of any access card assigned to it to Lessor's Public Services Area Chief of Staff via email (SkStewart@a2gov.org). All access cards are to be returned to Lessor on termination of the Lease.

- d. Lessee and its employees, agents, and invitees shall not park any vehicle on the Building Grounds except in their designated parking space and areas which are designated by Lessor for that use.
 - e. Lessor reserves the right to adopt from time to time rules and regulations for the operation of the Building, of which the Premises is part of, which are not inconsistent with the provisions of this Lease. Lessee, its officers, employees, agents, and invitees shall comply with all those rules and regulations. Any such rule or regulation shall not dictate days or time of business operation.
5. **Utilities.** Lessor shall pay any utilities used at the Premises during the term of the Lease.
6. **Assignment and Subletting.** Lessee shall not assign this Lease in whole or in part or sublet all or any portion of the Premises.
7. **Condition of Premises; Alteration; Maintenance; Repairs; Surrender.**
- a. On occupation of the Premises or execution of this Lease, whichever occurs first, Lessee accepts the Premises in their existing condition and acknowledges that the Premises are in good order and repair.
 - b. Lessee shall maintain the Premises in a clean and sanitary condition and shall surrender the Premises at the termination of this Lease in as good a condition as when received, ordinary wear and tear excepted. During the term of the Lease, Lessee shall not paint, decorate or make any alteration to the Premises whatsoever, without the prior written consent of the Lessor. Lessee shall commit no waste on the Premises. On termination, Lessee must remove its personal property and trade fixtures from the Premises immediately unless another date is agreed to in writing by Lessor. Any personal property and trade fixtures remaining on the Premises after termination, or such other date agreed to by Lessor, shall be considered abandoned by Lessee and Lessor may sell, discard, or keep such personal property and trade fixtures as Lessor determines appropriate in its sole discretion.
 - c. Lessee agrees to be responsible for any damage caused to the Premises by its use, and further agrees to promptly report to Lessor any damage caused to or discovered in the Premises. Lessor may, upon a report by Lessee or discovery of damage to the Premises, enter in the Premises and make such repairs as are necessary to restore the premises to its original condition, and Lessee shall reimburse Lessor for the total cost of any such repairs for which it is responsible hereunder.
 - d. Lessee and Lessor, their officers and employees, mutually waive

their respective rights of subrogation against each other from all liability arising from loss, damage or injury caused by fire or other casualty to the extent of any recovery by either, under any policy of insurance which permits waiver of liability and which allows for the waiver of the insurer's rights of subrogation.

8. **Inspection; Repairs.** Lessor or its agents shall have the right to enter the Premises at any reasonable time and upon reasonable notice for the purpose of inspecting the Premises or for the purpose of making necessary repairs. In the event of an emergency, Lessor shall be permitted to enter the Premises without notice for any purpose reasonably connected with the emergency.
9. **Fire or Destruction.**
 - a. During the term of the Lease, Lessee shall procure fire and extend coverage insurance insuring its personal property including all leasehold improvements for their full replacement value. Lessor shall be shown as loss payee regarding leasehold improvements.
 - b. If the Premises, or any substantial part thereof, shall be destroyed by fire or other casualty so as to render them untenable, either Lessor or Lessee shall have the right to terminate this Lease upon written notice.
10. **Indemnification; Insurance.** Lessor shall not be liable for any damage or injury occurring on or about the Premises, or to any personal property whatsoever that may be on the Premises, except in the case of Lessor's failure to perform, or negligent performance or nonperformance of, a duty imposed by law. To the extent permitted by law, Lessee agrees to protect, indemnify and hold Lessor harmless from and against any and all loss, costs, expense, damage or liability arising out of any accident or other occurrence on or about the leased Premises, causing injury to any person or property, including Lessee's own officers, employees, agents, guests or invitees in connection with or in any way incident to or arising out of or resulting in whole or in part from the negligent, grossly negligent, or tortious acts or omissions of Lessee's own officers, employees, agents, guests, or invitees, except in the case of the Lessor's failure to perform or negligent performance or nonperformance of a duty, imposed by law. Lessee shall, at the Lessee's cost, procure liability insurance covering Lessor with public liability insurance and property damage insurance with insurance companies licensed to do business in the State of Michigan, with a limit of \$1,000,000 per occurrence, \$2,000,000 policy aggregate, to protect Lessor interests based on the uses made of the Premises. The insurance policy shall show Lessor as an additional insured. Certificates of all insurance

policies required under this Agreement shall be delivered to Lessor and shall indicate that the insurance is in effect and provide that Lessor shall be notified in writing at least 30 days prior to cancellation of any material charge in or renewal of the policy. Any insurance required under this Lease shall contain a clause or endorsement under which the insurer waives all rights of subrogation against the other party, its employees or agents, with respect to losses payable under the policy.

11. **Possession.** Lessee shall have possession of the Premises on the date started at the beginning of the Lease, which possession shall continue until the Lessee's rights are terminated under provision of the Lease or otherwise in accordance with Michigan law.

12. **Default.** This Lease is granted on the condition that if an event of default ("Event of Default") shall occur then a default ("Default") occurs; this Lease may be terminated by Lessor. An Event of Default shall occur if there has been:

- a. Lessee's failure to pay rent when due, or to make payment when due any charges required by the terms of this Lease;
- b. Lessee's failure to obtain any policy of insurance or to pay any insurance premiums required by the terms of the Lease to be paid by Lessee;
- c. Lessee's failure to perform any of its obligations under the Lease. Following an Event of Default Lessor may send Lessee notice of the Event of Default. The notice shall give Lessee thirty (30) days to cure the default. If the Event of Default is not cured during the notice period, then upon expiration of that notice period of 30 days a Default shall exist. If a Default occurs, Lessor may, at its option, terminate this Lease and regain possession of the Premises. Lessee shall be liable to Lessor for any and all costs, damages incurred in taking repossession of the Premises and any and all rent outstanding at the time of Default.

13. **Waiver.** No covenant or breach is intended to be waived, unless the waiver is clearly expressed in a written document (a) signed by the waiving party, (b) specifically identifying the covenant or breach, and (c) expressly stating that it is a waiver of the identified covenant or breach. Lessor's failure to enforce any term of this Lease shall not be deemed a waiver of the enforcement of that or any other term, nor shall any acceptance of a partial payment of rent be deemed a waiver of Lessor's right to the full amount.

14. **Notices.** Any notice which either party may, or is required to, give may be served personally or sent by first-class mail, postage prepaid, as follows:

To the City of Ann Arbor:

Public Services Area Administrator
City of Ann Arbor
301 E. Huron St.
Ann Arbor, MI 48104

To the County of Washtenaw:

Washtenaw County Sheriff
2201 Hogback Road
Ann Arbor, MI 48105

15. **Early Termination.** Notwithstanding paragraph 2 above, either party may terminate this Lease, on ninety (90) days advance written notice to the other party.
16. **Severability.** If any covenant of this Lease is invalid, illegal, or unenforceable, that covenant will be enforced to the fullest extent permitted by law, and the validity, legality, and enforceability of the remaining covenant will not in any way be affected or impaired.
17. **Governing Law; Venue.** This Agreement shall be governed by and interpreted and construed in accordance with the laws of the State of Michigan and venue for any disputes shall lie in Washtenaw Country, Michigan.
18. **Entire Agreement.** The foregoing constitutes the entire agreement between the parties and the parties will rely solely on the terms of this Lease to govern their relationship. This Lease merges all prior proposals, negotiations, representations, agreements, and understandings with respect to the Lease. This Lease may only be modified or amended by written document signed by both parties.
19. **Authority to Sign.** Each person executing this Lease on behalf of its respective entity warrants and represents they have the full power and lawful authority to enter this Lease; and that the execution of this Lease by the individual who has signed below is legally binding on the respective entity in accordance with its terms.

[Signatures on Next Page]

LESSOR - CITY OF ANN ARBOR

By _____
Christopher Taylor, Mayor

Date _____

By _____
Jacqueline Beaudry, City Clerk

Date _____

APPROVED AS TO CONTENT:

By _____
Milton Dohoney Jr., City Administrator

Date _____

By _____
Sue McCormick,
Interim Public Services Area Administrator

Date _____

APPROVED AS TO FORM:

By _____
Atleen Kaur, City Attorney

Date _____

LEESEE - COUNTY OF WASHTENAW

ATTESTED TO:

By _____
Lawrence Kestenbaum,
County Clerk/Register of Deeds

Date: _____

By _____
Gregory Dill, County Administrator

Date: _____

APPROVED AS TO CONTENT:

By _____
Jerry L. Clayton, Sheriff

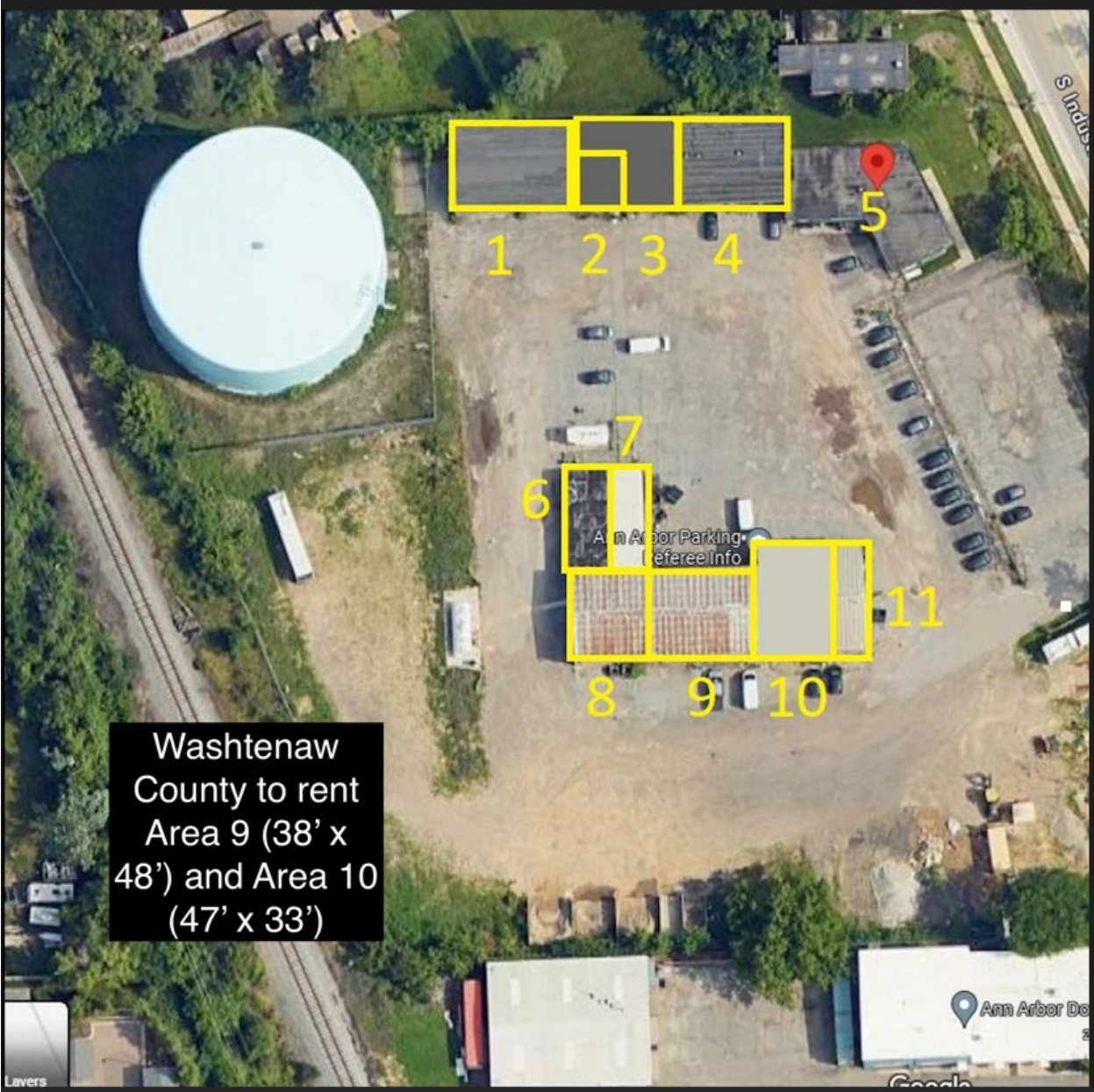
Date: _____

APPROVED AS TO FORM:

By: _____
Michelle Billard, Corporation Counsel

Date: _____

Map of Premises
2000 S. Industrial – Building Lease



Washtenaw
County to rent
Area 9 (38' x
48') and Area 10
(47' x 33')